

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: §
§ Chapter 11
BASIC ENERGY SERVICES, INC., §
et al., § Case No. 21-90002
§
§ (Jointly Administered)
Debtors.¹ §
§
PPC ENERGY, LP and PRIEST §
PETROLEUM CORPORATION, §
§
Plaintiffs and Counter-Defendants, §
§ Adversary No. 23-03208
vs. §
§
SELECT ENERGY SERVICES, LLC, §
§
Defendant and Counter-Plaintiff. §

NOTICE OF AGREEMENT REGARDING WITHDRAWAL OF THE REFERENCE

PLEASE TAKE NOTICE that the parties in the above adversary proceeding have conferred following the October 8, 2024 status conference and respectfully report as follows:

1. The parties agree that this Court should recommend withdrawal of the reference:
(a) in light of the fact that Plaintiffs/Counter-Defendants PPC Energy, LP and Priest Petroleum Corporation (the “Priest Entities”) have demanded a jury trial; and (b) so that the District Court can exercise supplemental jurisdiction under 28 U.S.C. § 1367 to the extent supplemental

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Basic Energy Services, L.P. (1819); Basic Energy Services, Inc. (1194); C&J Well Services, Inc. (5684); KVS Transportation, Inc. (4882); Indigo Injection #3, LLC (7657); Basic Energy Services GP, LLC (1197); Basic Energy Services Select, LLC (1195); Taylor Industries, LLC (7037); SCH Disposal, L.L.C. (8335); Agua Libre Holdco LLC (3092); Agua Libre Asset Co LLC (1409); Agua Libre Midstream LLC (6701); and Basic ESA, Inc. (2279). The Debtors’ headquarters and service address for the purposes of these chapter 11 cases is 801 Cherry Street, Suite 2100, Fort Worth, Texas 76102.

jurisdiction is required in order to rule upon the “post-sale” claims (Causes 1 and 2) in *Plaintiffs’ Original Petition*.

2. The parties disagree, however, as to the timing of such recommended withdrawal.
 - a. Defendant/Counter Plaintiff Select Energy Services, LLC n/k/a Select Water Solutions, LLC (“Select”) respectfully submits that withdrawal should occur after: (i) this Court incorporates its January 4, 2024 ruling that Select did not assume liability for the Priest Entities’ judgment against Basic Energy Services, L.P. into an order granting partial summary judgment in favor of Select on the “pre-sale” claims (Causes 3 and 4) in *Plaintiffs’ Original Petition* (which Select contends is a core matter for which no consent is required regarding the issuance of final orders); and (ii) this Court presides over and rules upon Count II of Select’s Counterclaim (Dkt. 34, pp. 29-30) seeking attorneys’ fees, costs, and expenses associated with the removal of this case from state court and the Priest Entities’ motion to remand.
 - b. The Priest Entities believe that withdrawal should occur immediately, without further action by this Court. The Priest Entities have not consented to the jurisdiction of the Bankruptcy Court to issue final orders. Any interim orders could be reviewed by the District Court post-withdrawal. The Priest Entities also assert it is premature for the Court to consider a request for attorney fees, costs, and expenses prior to the full adjudication of the entire matter.

3. The parties are available for a status conference to the extent the Court would find it helpful, and intend to resume scheduling discussions once the path forward regarding withdrawal of the reference is known.

Respectfully submitted,

/s/ Jeff P. Prostok

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CERTIFICATE OF SERVICE

I certify that on November 13, 2024, a true and correct copy of the foregoing instrument was filed with the Clerk of the Court using the CM/ECF system, which will send electronic notification of such filing to all counsel of record.

/s/ Jordan W. Leu

Jordan W. Leu